

tax increase just a few weeks ago. He raised taxes by \$240 billion when he said he would not increase taxes during the first term in office, over a 5-year-period, and we are cutting taxes by \$240 billion approximately over a 7-year period.

We are basically at a wash. We are getting back to the point that the President appears to want to be at now when he said he raised taxes, too. We are trying to correct that, getting taxes back to where they were when he came to office.

Independent of that we hear—the crocodile tears about it being horrible what is being done here to the poor and moderate income Americans by the Republican tax cut, and helping the wealthy—first, it is factually inaccurate. The tax cut that we are proposing, 70 percent of it flows to people, families with incomes under \$75,000, and 90 percent of it flows to people with incomes under \$100,000, and people with incomes up to \$70,000 are not wealthy in this society.

More significantly, something that is conveniently ignored by the other side in the area of Medicare legislation and which the President appears ready to veto is the fact we are saying to the wealthy Americans who are seniors, “Hey, you have to stop being subsidized by your working children and grandchildren.” We do not think it is right that a working child and grandchild who is trying to raise a family should have to pay 69 percent of the cost of the insurance of the fellow who just retired from IBM last year and is making hundreds of thousands of dollars maybe—tens of thousands, anyway—in pension benefits.

It is not fair that a person who is working 40, 50, 60 hours a week trying to make ends meet on a computer assembly line in New Hampshire or at a farm in the Midwest or at some other activity—garage or a restaurant—that an individual, family, a husband and wife, working their hearts out trying to make ends meet should have to subsidize the top 100 people who retired from General Motors or Ford last year, whose incomes on pensions exceed the earnings of the people who are paying the taxes to subsidize their health benefits. It is just not right.

So, in the Republican plan, we say if you have more than \$50,000 of individual income or as a husband and wife you have more than \$75,000 of income, you have to start paying a higher percentage of the cost of your part B premium. Instead of being subsidized at 69 percent by the working Americans in this country, you are going to have to start to pay more. And if your income exceeds \$100,000 as an individual or \$150,000 as a husband and wife, then you have to pay the full cost of your part B premium. That is good policy. That is exactly what we should be doing. We should be making this more fair.

So, let us have a little integrity in the process here as we debate this issue. Let us note that, when the Presi-

dent says he wants to reduce the amount of the premium that seniors are paying, when he wants that 31 percent to go down to 25 percent, that is a tax increase on the people who pick up the difference, the people who pick up the cost for that tax cut to seniors. It is a tax increase on working children and grandchildren. Mr. President, 70 percent today, or 69 percent, of senior's premiums today are already subsidized and we have accepted that as a fair number. But to go to 75 percent, as the President wants, means you are going to raise the taxes on working Americans, the children and grandchildren of those seniors, by at least 6.5 percent, under the President's proposal. That is not right and it is not fair.

Let us remember also that wealthy Americans today are subsidized by working Americans who cannot afford it. It is time to change that and that is what the Republican proposal does.

As we continue this debate I think a little forthrightness on the facts would help the process.

I yield.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be able to proceed for 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. All Senators should be notified that the period for morning business has concluded, but the request of the Senator is in order. The Senator from Massachusetts is recognized.

#### THE INTEGRITY OF MEDICARE

Mr. KENNEDY. Mr. President, my good friend and colleague from New Hampshire has basically not responded to the central thrust of our amendment, and that is the cuts which are being proposed by the Republican program, according to CBO, means that there will be \$50 billion in premium increases and \$24 billion in increases in deductibles. We are also talking about \$245 billion in tax breaks for the wealthy individuals.

He failed to explain the connection, but the connection is there for everyone to see. The Democrats offered, under the leadership of TOM DASCHLE, the proposal which would guarantee the financial integrity of the Medicare system without a single dime increase for the premiums for those under Medicare and Social Security; not a single dime. Every Democrat voted for that and only one Republican voted for it. Every other Republican voted against it. It would have preserved the integrity of the Medicare system for the next 10 years.

But, nonetheless, the Republicans wanted to move the burden over to the

payment of senior citizens, to collect the \$50 billion—\$51 billion, according to CBO. It is right there in the chart, \$51 billion. It says, “Increase in the premiums, \$51 billion.” It is there under your proposal. It is not there under ours. What is under yours is the tax breaks for wealthy individuals that is going right along with this proposal. That is the justification and the reason for this kind of cut. We can maintain the integrity of the Medicare system without having these kinds of increases. The only reason you need these kinds of increases is to have a tax cut.

So the American people have to say why should the major tax cut, that is being proposed by the Republicans, go to the wealthy individuals and corporations, and the premium increases are coming out of people who are going to rely on \$5,300 or \$7,800 or, at the top, \$10,000 a year to survive?

So this, the increase in premiums for our seniors over this period of time, is \$12,400 more in premiums over the 7 years. That is what the seniors are going to pay under the Republican proposal.

You can complain all you like about what your proposal is going to do, but you cannot argue with the CBO figures. If you have something better on it, then address it. And that kind of wholesale increase, tax increase, the wiping out of the COLA's, the increasing of the premiums and the deductibles by that amount in order to justify a tax break is something that I find is absolutely unacceptable and I think most Americans find unacceptable. Certainly the seniors would find that unacceptable.

To do it on a continuing resolution at this time without full discussion and debate, I think, is unjustified and unwarranted and unfair.

I yield the floor.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I ask unanimous consent to speak as in morning business for a period of time not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada is recognized.

#### IMAGE-ENHANCING EFFORT AT DOE

Mr. BRYAN. Mr. President, those of us in public life are accustomed to being surprised as the morning newspaper is delivered to us each day to find extraordinary examples of bureaucratic abuse, waste, and misuse of the taxpayers' dollars. I must say, this morning the level of my outrage at this most recent abuse, which I will comment on in just a moment, has been unsurpassed in my recent memory.

As the Wall Street Journal reports this morning, the Secretary of the Department of Energy, Mrs. O'Leary, has